



# State of Utah

School and Institutional  
TRUST LANDS ADMINISTRATION

Michael O. Leavitt  
Governor

David T. Terry  
Director

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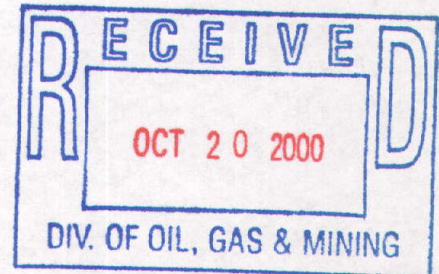
5/003/017

October 19, 2000

CERTIFIED MAIL NO. P 973 115 014

William L. Bown  
842 West 400 North  
West Bountiful, UT 84087

RE: ML 45410-BSLS, ML 44911-BSLS  
DOGM Permit # S/003/017



Dear Mr. Bown,

Thank you for your letter of October 16, 2000, and your notice of intent for the Rose Bud small mine located upon trust lands leased under ML 45410. Your submittal, however, fails to meet all of the requirements listed in my letter of September 18, 2000, regarding remedy of Lessee's default of the terms and conditions of ML 45410-BSLS. Please note the following.

1. Lessee has failed to submit a detailed map of all existing and proposed mining disturbances upon the lands leased under ML 45410, at a scale of not more than 50 feet to the inch, with points coordinated with public land surveys and prepared under the direction of a surveyor or engineer licensed to practice in the state of Utah.

The maps included in Lessee's Notice of Intent for the Rose Bud small mine are acceptable as location maps, but do not meet the requirements of the requested map.

2. Lessee has failed to submit a detailed accounting of the quantities of stone mined from the lands leased under ML 45410-BSLS, and clarification as to whether such production was previously reported in conjunction with reports and royalties submitted to the Trust Lands Administration for ML 44911-BSLS.

In your letter of October 16, 2000, you state that all royalties for material removed from the area of ML 45410 have been paid. The records of the Trust Lands Administration, however, show no production reported or payment of royalties made for ML 45410. All production and royalties submitted by Lessee to date for the Rose Bud area have been credited to ML 44911. Lessee was requested to provide clarification and a breakdown of the amount of production and royalty alleged for each of Lessee's trust lands leases in the Rose Bud area.



3. Lessee has failed to submit a surety bond to the Trust Lands Administration in the amount of not less than \$5,000.00, using the Bond of Lessee form provided to Lessee by the Trust Lands Administration, for Lessee's performance under ML 45410. Alternatively, Lessee failed to submit a cash bond or short term certificate of deposit in lieu of a surety bond.

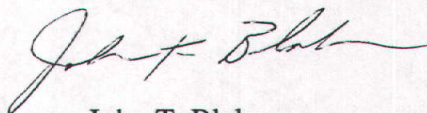
Continental Casualty Bond No. 900633288 is presently held by the Trust Lands Administration for mineral leases ML 44911, only. The bond may not be released or transferred to another property until Lessee meets all of the performance obligations required under ML 44911, including the reclamation of mined lands. Furthermore, such transfer of bond coverage requires a surety bond rider to be accepted by the Director.

I encourage Lessee to complete the reclamation of lands mined or disturbed under ML 44911 no later than October 31, 2000, as per the Division of Oil, Gas & Mining's letter dated September 26, 2000. Otherwise the Director of the Trust Lands Administration may determine that Lessee's Continental Casualty Surety Bond No. 900633288 is forfeited to the state.

Lessee has failed to complete the remedies described above ML 45410-BSLS is therefore immediately subject to cancellation by the Director. In consideration of Lessee's partial response, however, the Trust Lands Administration will allow a grace period, until **November 17, 2000**, for Lessee to satisfy the above listed remaining requirements to remedy Lessee's breach of the terms and conditions of ML 45410. Meanwhile, no further mining or disturbance of the lands leased under ML 45410 is permitted and any such offense shall be a trespass of state trust lands.

Please contact me if you have any questions in this matter or do not understand what is required to remedy Lessee's defaults under ML 45410-BSLS.

Sincerely,



John T. Blake  
Mineral Resources Specialist

CC: Lynn Kunzler